

AMENDED IN ASSEMBLY AUGUST 30, 2005

AMENDED IN ASSEMBLY JUNE 9, 2005

AMENDED IN SENATE APRIL 26, 2005

SENATE BILL

No. 651

Introduced by Senator Torlakson

February 22, 2005

An act to amend Section 5060 of, and to add Section 5060.5 to, the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 651, as amended, Torlakson. Vehicles: special interest license plates.

Existing law requires the Department of Motor Vehicles to issue special interest license plates to a person applying for the plates and paying certain fees if the issuance of the plates is required by statute, and the sponsoring organization that applies for participation in the program meets specified requirements, including, among other things, that it has received and submitted to the department not less than 7,500 applications for that particular plate within certain time limitations.

This bill, instead, would require the department, on and after January 1, 2006, to issue special interest license plates to an organization that applies to the department to sponsor a special interest license plate program, if the department determines the organization is a sponsoring organization, as defined, that complies with certain requirements, including ~~providing specified services and being affiliated with, or having a program in support of, specified entities or activities. The bill would require a sponsoring organization to obtain~~ *obtaining* approval for the plate design from the department

and the Department of the California Highway Patrol, and ~~to submit~~ *submitting* to the department not less than 7,500 applications for the license plates within a specified time limit. The bill would impose specified fees for the issuance, renewal, transfer, and substitution of the plates.

The bill would authorize the department to disapprove a plate design on the basis that it includes speech not protected under the United States or State Constitution.

The bill would require the funds generated from fees charged for the plates to be allocated, upon appropriation, as specified. The bill would authorize the department to suspend disbursement of revenue to an organization that does not submit a yearly report, as required, on or before June 30 of the applicable year.

The bill would authorize an organization to continue to participate in a special interest license plate program that was established under existing law before January 1, 2006, under certain circumstances.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 5060 of the Vehicle Code is amended to
2 read:
- 3 5060. (a) Before January 1, 2006, a public or private
4 organization may apply to the department for participation in a
5 special interest license plate program and the department shall
6 issue special license plates for that program if the issuance of
7 those plates is required by this article, the sponsoring
8 organization complies with the requirements of this section, and
9 the organization meets all of the following criteria:
- 10 (1) In the case of a private organization, it qualifies for
11 tax-exempt status under Section 501(c)(3) of the Internal
12 Revenue Code and Section 23701d of the Revenue and Taxation
13 Code.
- 14 (2) Submits a financial plan describing the purposes for which
15 the revenues described in paragraph (2) of subdivision (e) will be
16 used.
- 17 (3) Submits a design of the organization's proposed special
18 interest license plate that, among other things, provides for the

1 placement of the number and letter characters in a manner that
2 allows for law enforcement to readily identify those characters.

3 (b) Any person described in Section 5101 may apply for
4 special interest license plates, in lieu of the regular license plates.

5 (c) The design criteria for a special interest license plate are as
6 follows:

7 (1) The license plate for a passenger vehicle, commercial
8 vehicle, or trailer shall provide a space not larger than 2 inches
9 by 3 inches to the left of the numerical series and a space not
10 larger than five-eighths of an inch in height below the numerical
11 series for a ~~distinctive design, decal, or descriptive message as~~
12 ~~authorized by single line of text that shall be the same color for~~
13 *all plates authorized and issued under this article.* The plates
14 shall be issued in sequential numerical order or, pursuant to
15 Section 5103, in a combination of numbers or letters.

16 (2) Special interest license plates authorized under this article
17 may be issued for use on a motorcycle. That license plate shall
18 contain a five digit configuration issued in sequential numerical
19 order or, pursuant to Section 5103, in a combination of numbers
20 or letters. There shall be a space to the left of the numerical series
21 for a distinctive design or decal and the characters shall contrast
22 sharply with the uniform background color. No motorcycle plate
23 containing a full plate graphic design is authorized. Those
24 particular special interest license plates that were issued prior to
25 the discontinuation provided by this paragraph may continue to
26 be used and attached to the vehicle for which they were issued
27 and may be renewed, retained, or transferred pursuant to this
28 code.

29 (d) (1) No organization may be included in the program until
30 not less than 7,500 applications for the particular special interest
31 license plates are received. Each organization shall collect and
32 hold applications for the plates. Once the organization has
33 received at least 7,500 applications, it shall submit the
34 applications, along with the necessary fees, to the department.
35 The department shall not issue any special interest license plate
36 until an organization has received and submitted to the
37 department not less than 7,500 applications for that particular
38 special interest license plate within the time period prescribed in
39 this section. Advanced payment to the department by an
40 organization representing the department's estimated or actual

1 administrative costs associated with the issuance of a particular
2 special interest license plate shall not constitute compliance with
3 this requirement. The organization shall have 12 months,
4 following the effective date of the enactment of the specific
5 legislation enabling the organization to participate in this
6 program, to receive the required number of applications. If, after
7 that 12 months, 7,500 applications have not been received, the
8 organization shall immediately do either of the following:

9 (A) Refund to all applicants any fees or deposits that have
10 been collected.

11 (B) Contact the department to indicate the organization's
12 intent to undertake collection of additional applications and fees
13 or deposits for an additional period, not to exceed 12 months,
14 *commencing with the date applications are first made available*
15 *to the public*, in order to obtain the minimum 7,500 applications.
16 If an organization elects to exercise the option under this
17 paragraph, it shall contact each applicant who has submitted an
18 application with the appropriate fees or deposits to determine if
19 the applicant wishes a refund of fees or deposits or requests the
20 continuance of the holding of the application and fees or deposits
21 until that time that the organization has received 7,500
22 applications. The organization shall refund the fees or deposits to
23 any applicant so requesting. In no event shall an organization
24 collect and hold applications for a period exceeding 24 months
25 following the date of authorization as described in paragraph (2)
26 of subdivision (a).

27 (C) Sequential plate fees shall be paid for the original
28 issuance, renewal, retention, replacement, or transfer of the
29 special interest license plate as determined by the organization
30 and authorized by department's regulations. Those plates
31 containing a personalized message are subject to the fees
32 required pursuant to Sections 5106 and 5108 in addition to any
33 fees required by the special interest license plate program.

34 (2) (A) If the number of currently outstanding and valid
35 special interest license plates in any particular program provided
36 for in this article is less than 7,500, the department shall notify
37 the sponsoring organization of that fact and shall inform the
38 organization that if that number is less than 7,500 one year from
39 the date of that notification, the department will no longer issue
40 or replace those special interest license plates.

1 (B) Those particular special interest license plates that were
2 issued prior to the discontinuation provided by subparagraph (A)
3 may continue to be used and attached to the vehicle for which
4 they were issued and may be renewed, retained, or transferred
5 pursuant to this code.

6 (e) (1) The department shall deduct its costs to develop and
7 administer the special interest license plate program from the
8 revenues collected for the plates.

9 (2) The department shall deposit the remaining revenues from
10 the original issuance, renewal, retention, replacement, or transfer
11 of the special interest license plate in a fund which shall be
12 established by the Controller.

13 (f) When payment of renewal fees is not required as specified
14 in Section 4000, or when a person determines to retain the
15 special interest license plate upon a sale, trade, or other release of
16 the vehicle upon which the plate has been displayed, the person
17 shall notify the department and the person may retain and use the
18 plate as authorized by department regulations.

19 (g) An organization that is eligible to participate in a special
20 interest license plate program pursuant to this article and receives
21 funds from the additional fees collected from the sale of special
22 license plates shall not expend annually more than 25 percent of
23 those funds on administrative costs, marketing, or other
24 promotional activities associated with encouraging application
25 for, or renewal of, the special license plates.

26 (h) (1) Every organization authorized under this article to
27 offer special interest license plates shall prepare and submit an
28 annual accounting report to the department by June 30. The
29 report shall include an accounting of all revenues and
30 expenditures associated with the special interest license plate
31 program.

32 (2) If an organization submits a report pursuant to paragraph
33 (1) indicating that the organization violated the expenditure
34 restriction set forth in subdivision (g), the department shall
35 immediately cease depositing fees in the fund created by the
36 Controller for that organization under paragraph (2) of
37 subdivision (e) and, instead, shall deposit those fees that would
38 have otherwise been deposited in that fund in a separate fund
39 created by the Controller, which fund is subject to appropriation
40 by the Legislature. The department shall immediately notify the

organization of this course of action. The depositing of funds in the account established pursuant to this paragraph shall continue until the organization demonstrates to the satisfaction of the department that the organization is in compliance or will comply with the requirements of subdivision (g). If one year from the date that the organization receives the notice described in this paragraph, the organization is still unable to satisfactorily demonstrate to the department that it is in compliance or will comply with the requirements of subdivision (g), the department shall no longer issue or replace those special interest license plates associated with that organization. Those particular special interest license plates that were issued prior to the discontinuation provided by this paragraph may continue to be used and attached to the vehicle for which they were issued and may be renewed, retained, or transferred pursuant to this code.

(3) Upon receiving the reports required under paragraph (1), the department shall prepare and transmit an annual consolidated report to the Legislature containing the revenue and expenditure data.

(i) (1) An organization that complied with subdivision (a) before January 1, 2006, may continue to participate in its special interest license plate program until that particular program is discontinued under paragraph (2) of subdivision (d) or paragraph (2) of subdivision (h).

(2) An organization that did not comply with subdivision (a) before January 1, 2006, may participate in its special interest license plate program on and after that date only if it complies with Section 5060.5.

SEC. 2. Section 5060.5 is added to the Vehicle Code, to read:

5060.5. (a) (1) On and after January 1, 2006, a public or private organization may apply to the department to sponsor a special interest license plate program, and the department shall issue special license plates for that program, if the department determines that under subdivision (b) the organization is a sponsoring organization and the organization complies with all of the requirements of this section.

(2) The department shall process an application from a sponsoring organization that *is uniquely a California entity and* provides educational services, community services, or other, similar services, including, but not limited to, services to at-risk

1 youth, environmental or ~~conservation activities, or historie~~
2 ~~preservation, and is affiliated with, or has a program in support~~
3 ~~of, any of the following:~~

4 ~~(A) California state parks or national parks located within the~~
5 ~~state.~~

6 ~~(B) A professional sports franchise located in the state.~~

7 ~~(C) Conservation efforts on behalf of flora and fauna that is~~
8 ~~native to the state, including, but not limited to, the official state~~
9 ~~flora and fauna.~~

10 ~~(D) A location in the state that is listed on the National~~
11 ~~Register of Historic Places.~~

12 ~~(E) A college or university located in the state. *conservation*~~
13 ~~*activities, or historic preservation.*~~

14 (b) For the purposes of this section, an organization is a
15 sponsoring organization if the department determines the
16 organization meets all of the following criteria:

17 (1) In the case of a private organization, it qualifies for
18 tax-exempt status under Section 501(c)(3) of the Internal
19 Revenue Code and Section 23701d of the Revenue and Taxation
20 Code, *and is an entity unique to California.*

21 (2) Submits a financial plan describing the purposes for which
22 the revenues described in paragraph (2) of subdivision (h) will be
23 used.

24 (3) Submits to the department and the Department of the
25 California Highway Patrol a design of the organization's
26 proposed special interest license plate that, among other things,
27 provides for the placement of the number and letter characters in
28 a manner that allows for law enforcement to readily identify
29 those characters.

30 (4) Obtains written approval for the design submitted under
31 paragraph (3) from both the department and the Department of
32 the California Highway Patrol.

33 (c) A person described in Section 5101 may apply for special
34 interest license plates, in lieu of the regular license plates.

35 (d) The design criteria for a special interest license plate are as
36 follows:

37 (1) The license plate for a passenger vehicle, commercial
38 vehicle, or trailer shall provide a space not larger than 2 inches
39 by 3 inches to the left of the numerical series and a space not
40 larger than five-eighths of an inch in height below the numerical

1 series for a distinctive design, decal, or descriptive message as
2 authorized under this section. The plates shall be issued in
3 sequential numerical order or, pursuant to Section 5103, in a
4 combination of numbers or letters.

5 (2) Special interest license plates authorized under this section
6 may be issued for use on a motorcycle. That license plate shall
7 contain a five digit configuration issued in sequential numerical
8 order or, pursuant to Section 5103, in a combination of numbers
9 or letters. There shall be a space to the left of the numerical series
10 for a distinctive design or decal and the characters shall contrast
11 sharply with the uniform background color. A motorcycle plate
12 shall not contain a full plate graphic design.

13 (3) (A) The department and the Department of the California
14 Highway Patrol may approve a design under this section only if
15 the design complies with paragraph (1) or (2).

16 (B) The department may disapprove a design on the basis that
17 it includes speech that is not protected under the United States or
18 State Constitution.

19 (C) If the department disapproves a design pursuant to
20 subparagraph (B), the department shall explain in writing the
21 reasons for the disapproval.

22 (e) The department shall not approve an organization for
23 participation in the program until the department has received not
24 less than 7,500 applications for the particular special interest
25 license plates. An organization shall collect and hold applications
26 for the plates. Once the organization has received at least 7,500
27 applications, it shall submit the applications, along with the
28 necessary fees, to the department. The department shall not issue
29 any special interest license plate until an organization has
30 received and submitted to the department not less than 7,500
31 applications for that particular special interest license plate
32 within the time period prescribed in this section. Advanced
33 payment to the department by an organization representing the
34 department's estimated or actual administrative costs associated
35 with the issuance of a particular special interest license plate does
36 not constitute compliance with this requirement. The
37 organization shall have 12 months after the date that it applies to
38 the department for participation in the program to receive the
39 required number of applications. If, after that 12 months, 7,500
40 applications have not been received, the organization shall

1 immediately refund to all applicants any fees or deposits that
2 have been collected.

3 (f) In addition to the regular fees for an original registration or
4 renewal of registration, the following additional fees shall be
5 paid for the issuance, renewal, retention, or transfer of the special
6 interest license plates authorized under this section:

7 (1) For the original issuance of the plates, forty dollars (\$40).

8 (2) For a renewal of registration of the plates, or retention of
9 the plates, if renewal is not required, forty dollars (\$40).

10 (3) For transfer of the plates to another vehicle, fifteen dollars
11 (\$15).

12 (4) For each substitute or replacement plate, thirty-five dollars
13 (\$35).

14 (5) In addition, for the issuance of an environmental license
15 plate, as defined in Section 5103, the additional fees prescribed
16 in Sections 5106 and 5108. The additional fees prescribed in
17 Sections 5106 and 5108 shall be deposited in the California
18 Environmental License Plate Fund.

19 (g) (1) If the number of currently outstanding and valid
20 special interest license plates in any particular program
21 authorized under this section is less than 7,500, the department
22 shall notify the sponsoring organization of that fact and shall
23 inform the organization that if that number is less than 7,500 one
24 year from the date of that notification, the department will no
25 longer issue or replace those special interest license plates.

26 (2) Those particular special interest license plates that were
27 issued prior to the discontinuation provided by paragraph (1) may
28 continue to be used and attached to the vehicle for which they
29 were issued and may be renewed, retained, or transferred
30 pursuant to this code.

31 (h) (1) The department shall deduct its costs to develop and
32 administer the special interest license plate program from the
33 revenues collected for the plates.

34 (2) The department shall deposit the remaining revenues from
35 the original issuance, renewal, retention, replacement, or transfer
36 of the special interest license plates in a fund that shall be
37 established by the Controller. At the end of each fiscal year, the
38 department shall submit a report to the Controller that is
39 organized by participating organization and identifies the amount
40 that is attributable to fees charged under each organization's

1 special interest license plate program and deposited in the fund
2 during that fiscal year. Upon appropriation, the money in the
3 fund shall be allocated by the Controller to each participating
4 organization, in the amount reported by the department.

5 (i) When payment of renewal fees is not required as specified
6 in Section 4000, or when a person determines to retain the
7 special interest license plate upon a sale, trade, or other release of
8 the vehicle upon which the plate has been displayed, the person
9 shall notify the department and the person may retain and use the
10 plate as authorized by department regulations.

11 (j) An organization that is eligible to participate in a special
12 interest license plate program under this section and receives
13 funds from the additional fees collected from the sale of special
14 interest license plates shall not expend annually more than 25
15 percent of those funds on administrative costs, marketing, or
16 other promotional activities associated with encouraging
17 application for, or renewal of, the special interest license plates.

18 (k) (1) An organization authorized under this section to offer
19 special interest license plates shall prepare and submit an annual
20 accounting report to the department by June 30. The report shall
21 include an accounting of all revenues and expenditures
22 associated with the special interest license plate program. The
23 department may suspend disbursement of revenues to an
24 organization that does not submit the yearly report required under
25 this paragraph on or before June 30 of the applicable year.

26 (2) If an organization submits a report pursuant to paragraph
27 (1) indicating that the organization violated the expenditure
28 restriction set forth in subdivision (j) or made expenditures for
29 services or programs other than those listed in paragraph (2) of
30 subdivision (a), the department shall immediately cease
31 depositing fees in the fund created by the Controller for that
32 organization under paragraph (2) of subdivision (h) and, instead,
33 shall deposit those fees that would have otherwise been deposited
34 in that fund in a separate fund created by the Controller, which
35 fund is subject to appropriation by the Legislature. The
36 department shall immediately notify the organization of this
37 course of action. The depositing of funds in the fund established
38 pursuant to this paragraph shall continue until the organization
39 demonstrates to the satisfaction of the department that the
40 organization is in compliance or will comply with the

1 requirements of subdivision (j). If one year from the date that the
2 organization receives the notice described in this paragraph, the
3 organization is still unable to satisfactorily demonstrate to the
4 department that it is in compliance or will comply with the
5 requirements of subdivision (j), the department, from that date,
6 shall discontinue issuing or replacing those special interest
7 license plates associated with that organization. Those particular
8 special interest license plates that were issued prior to the
9 discontinuation provided by this paragraph may continue to be
10 used and attached to the vehicle for which they were issued and
11 may be renewed, retained, or transferred pursuant to this code.

12 (3) Upon receiving the reports required under paragraph (1),
13 the department shall prepare and transmit an annual consolidated
14 report to the Legislature containing the revenue and expenditure
15 data.

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